

Message Text

UNCLASSIFIED

PAGE 01 BEIRUT 12786 250720Z

12

ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02

RSC-01 USIA-15 PRS-01 SP-02 EB-06 COME-00 TRSE-00

/045 W

----- 117993

R 241418Z OCT 74 ZDK
FM AMEMBASSY BEIRUT
TO SECSTATE WASHDC 950

UNCLAS BEIRUT 12786

E.O. 11652: N/A

TAGS: EFIN, LE

SUBJECT: GOL PROPOSES TAX ON PROFIT ON REAL ESTATE TRANSACTIONS

1. THE GOL HAS SUBMITTED TO PARLIAMENT A DRAFT LAW
TAXING PROFIT ON REAL ESTATE TRANSACTIONS (BOTH LAND
AND BUILDING). IF THE DIFFERENCE BETWEEN SELLING
PRICE AND ORIGINAL PURCHASE (AS DECLARED TO THE
AUTHORITIES) IS UNDER LL 5,000, NO TAX IS IMPOSED.
ABOVE THIS AMOUNT, HOWEVER, THE TAX IS TO RANGE FROM
5PCT ON PROFITS ON LL 5,000-LL 15,000, UP TO 35PCT ON
PROFITS IN EXCESS OF LL 500,000. THE TAX WOULD APPLY
TO REAL ESTATE SALES BY INDIVIDUALS, BUT NOT BY REAL
ESTATE FIRMS, WHERE TRANSACTIONS ARE ALREADY TAXED.

2. THE ALLEGED PURPOSE OF THE MEASURE IS TO RAISE
ADDITIONAL REVENUE FOR THE STATE, BUT IT WOULD ALSO
SERVE TO DAMPEN REALOZBVGO TRANSACTIONS, WHICH HAVE
CONTRIBUTED SIGNIFICANTLY TO INFLATIONARY TRENDS. IT
IS DIFFICULT TO PREDICT WHEN THE DRAFT WILL BECOME LAW
(THERE IS ALREADY OPPOSITION FROM "INFLUENTIAL" SOURCES).
ON THE OTHER HAND, INASMUCH AS THE DRAFT LAW WAS
DECLARED TO BE AN EMERGENCY, THE CABINET WOULD BE IN A
POSITION TO ENACT IT DIRECTLY IF NO ACTION IS TAKEN BY
THE PARLIAMENT AFTER BEING IN SESSION FOR FORTY DAYS.

GODLEY

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BEIRUT 12786 250720Z

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REAL PROPERTY TAXES, REAL PROPERTY ACQUISITION
Control Number: n/a
Copy: SINGLE
Draft Date: 24 OCT 1974
Decapton Date: 01 JAN 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BEIRUT12786
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740305-0010
From: BEIRUT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741021/aaaaarlv.tel
Line Count: 60
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2002 by chappeld>; APPROVED <10 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOL PROPOSES TAX ON PROFIT ON REAL ESTATE TRANSACTIONS
TAGS: EFIN, LE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005